

SPECIAL CITY COUNCIL MEETING
JANUARY 30, 1989

PRESENT

Ruth Hansen	Mayor
Wesley J. Bloomfield	Council Member
Gayle Bunker	Council Member
David Church	Council Member
Don Dafoe	Council Member
Rex T. Harris	Council Member

ABSENT

Dorothy Jeffery	City Recorder
Richard Waddingham	City Attorney

OTHERS PRESENT

Virginia Taylor	Deputy City Recorder
Neil Forster	Public Works Director
Alan Riding	Assistant Public Works Director
Rita Byrd	Public Works Secretary
Doyle Bender	City Treasurer

Mayor Hansen called the meeting to order at 5:00 p.m. Virginia Taylor, Deputy City Recorder, acted as secretary. Mayor Hansen stated that notice of the meeting time, place and agenda was posted at the principal office of the governing body located at 76 North 200 West and was provided to the Millard County Chronicle/Progress, the local radio station, KNAK, and to each member of the City Council by personal delivery two days prior to the meeting.

PUBLIC WORKS DIRECTOR NEIL FORSTER: PROPOSED HANGAR FOR G.S.A.
AT THE DELTA AIRPORT

Mayor Hansen asked Public Works Director Neil Forster to discuss with the Council a proposal from G.S.A. for a hangar at the Delta Municipal Airport.

Public Works Director Neil Forster presented and reviewed with the Council Amendment Number 1, Solicitation For Offers 88-025, 2000 Net Usable Square Feet of Hangar Space, Delta, Utah, from G.S.A. (as on file).

Mr. Forster reminded the Council of a previous Solicitation For Offer received from G.S.A. for hangar space at the Delta Municipal Airport, which was not advantageous to the City of Delta. Council then instructed Mayor Hansen to write G.S.A. a letter and offer a counter proposal, which she did. Therefore, Delta City has received an Amendment to that Solicitation for Offers, which meets Delta City's requirements.

Mr. Forster reviewed G.S.A.'s required specifications and presented a floor plan for the proposed hangar. He then discussed the following approximate building costs per G.S.A.'s specifications:

Block Construction Building	\$58,672.00
Metal Building	52,200.00
Frame Building with metal skin	50,800.00

Mr. Forster then reviewed the following approximate cost breakdown for the Airport Hangar per month:

Rent	\$1,545.00
Fire Insurance	25.00
Heat (Propane)	75.00
Power (UP&L)	75.00
Water	9.50
Administration	<u>100.00</u>

TOTAL Per Month \$1,829.50

He said that the above costs would pay back financing on a five year basis.

Mr. Forster then said that there is a total of \$95,000 in the Sewer Enterprise Fund and asked for Council's approval to fund the construction of a hangar with those funds at an interest rate of 12%. He then referred to the following memorandum from Attorney Waddingham regarding the legality of using Sewer Funds for that purpose:

WADDINGHAM & PETERSON
ATTORNEYS AT LAW
P.O. BOX 430, 362 WEST MAIN
DELTA, UTAH 84624

(801) 864-2748

THORPE WADDINGHAM
WARREN H. PETERSON
RICHARD WADDINGHAM

MEMORANDUM

TO: Neil Forster
FROM: Richard Waddingham
DATE: January 30, 1989
RE: Airport Hangar

I am responding in writing to your inquiry as to whether Delta City has the legal right to withdraw money from the Sewer Enterprise Fund for the purpose of constructing a hangar at the Delta City Municipal Airport.

Section 10-6-132, Utah Code Annotated (1953 Ed.), as amended, states as follows:

Subject to restrictions imposed by bond ordinance, statute or other controlling regulations, the governing body of the city may (1) authorize interfund loans from one fund to another at such interest rates and on such repayment terms and conditions as it may prescribe.

It is my understanding from both you and Dorothy that the money contained in the Enterprise Fund is represented solely from user fees. Accordingly, there would be no restrictions imposed by bond ordinances or other regulations.

In a conversation with Richard Moon of the Utah State Auditor's Office, I was informed by Mr. Moon that the Enterprise Fund in question is considered to be within the realm of interfund loans prescribed by the aforementioned statute.

Mr. Moon explained that as long as the Enterprise Fund contained monies other than government funds, e.g. "user fees", such funds can be borrowed by the City and repaid to the Sewer Enterprise Fund either with or without interest.

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Council Member Don Dafoe reminded the Council of the deficit in the Sewer Enterprise Fund due to the Depreciation Schedule.

Following discussion, Mr. Forster recommended that, in order to provide matching funds for State and Federal Grants, and after the Sewer Enterprise Fund has been repaid, that a portion of the monies received from the hangar rental fees be used to establish an Airport Capital Improvement Fund.

Following discussion, Council Member Gayle Bunker MOVED to accept the concept of building an Airport Hangar with the possibility of using Sewer Funds for financing as presented and submit Delta City's proposal to G.S.A. for their consideration. The motion was SECONDED by Council Member Wesley Bloomfield. Mayor Hansen asked if there were any further comments or questions regarding the motion. There being none, she called for a vote. The motion passed unanimously.

OTHER BUSINESS


Mayor Hansen reported that she attend an IPA Board Meeting and IPA has agreed to forgive \$134,000 overpaid monies to Delta City.

Mayor Hansen asked for the Council's approval to change the Library's weekend hours. The Council agreed to the change.

Mayor Hansen reported that the Library has received a \$2,000 Literacy Grant to purchase materials and equipment to be used for the Library's Literacy Program. Council Member David Church recommended that Library Grant monies received go through the City's books to provide an audit trail. The Council concurred.

Mayor Hansen asked if there were any further comments, questions or items to be discussed. There being none, Council Member Don Dafoe MOVED to adjourn. The motion was SECONDED by Council Member David Church. Mayor Hansen asked if there were any further comments or questions regarding the motion. There being none, she called for a vote. The motion passed unanimously. Mayor Hansen declared the meeting adjourned at 6:00 p.m.


RUTH HANSEN, Mayor


DOROTHY JEFFERY
Delta City Recorder

MINUTES APPROVED: RCCM 2-13-89